



DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B-68-2020]

Foreign-Trade Zone (FTZ) 279 – Houma, Louisiana; Notification of Proposed Production Activity; Deepwater Riser Services (Offshore Drilling Riser Systems and Equipment), Houma, Louisiana

Deepwater Riser Services (Deepwater Riser) submitted a notification of proposed production activity to the FTZ Board for its facility in Houma, Louisiana. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on October 22, 2020.

The Deepwater Riser facility is located within FTZ 279. The facility will be used for the production of offshore drilling riser systems and drilling-related equipment. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials/components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Deepwater Riser from customs duty payments on the foreign-status materials/components used in export production. On its domestic sales, for the foreign-status materials/components noted below, Deepwater Riser would be able to choose the duty rates during customs entry procedures that apply to riser tools, drilling risers, telescopic joints, and pressure testing equipment (duty-free). Deepwater Riser would be able to avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The materials/components sourced from abroad include: drill riser buoyancy elements; rubber components (seals; O-rings; composite sheets); anodes; riser tool

components (elastomers; test plugs; cylinders); riser telescopic joint components (packers; sleeves); riser fins; Kevlar® straps for fins; riser joint piping end protectors; stainless steel fasteners (bolts and screws); carbon steel components (nuts; lock washers; washers); riser fins bolt tensioners; hydraulic pipe receptacles; stainless steel hydraulic pipe; carbon steel receptacles (choke and kill line; booster); riser clip connectors; steel pins for peripheral line pipe fittings; drilling riser pipe (welded carbon steel; seamless carbon steel; stainless steel); and, welding wire rods (duty rate ranges from duty-free to 9.0%). The request indicates that certain materials/components are subject to duties under Section 232 of the Trade Expansion Act of 1962 (Section 232) or Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 232 and Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: ftz@trade.gov. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Juanita Chen at juanita.chen@trade.gov or 202-482-1378.

Dated: November 9, 2020.

Andrew McGilvray,
Executive Secretary.